

Working Poor Fund. *

What are the key points I need to know?

- You must itemize your charitable contributions to qualify.
- Each individual must establish a baseline year of giving.
- When you give up to \$200 more than your baseline year, you may qualify for a tax credit--up to a maximum of \$200--if you contribute to a "qualifying charitable organization".

When is my baseline year?

1996 is your baseline year if you itemized charitable contributions on your federal tax return that year. If you did not itemize in 1996, then the first year after 1996 that you itemized your deductions becomes your baseline year.

When does my baseline year change?

Once you establish a baseline year it remains unchanged, unless your tax filing status changes.

Who is a "qualifying charitable organization"?

The United Way established and certified with the State of Arizona the "Helping the Working Poor Fund" as a qualifying charitable organization. It along with other organizations that provide assistance to the working poor will allow your charitable contribution to qualify for the tax credit.

Where will these funds go?

Contributions to the working poor fund will go to not-for-profit 501(c)3 organizations who provide services for needy families such as medical care, child care, food, clothing, shelter or other assistance that helps individuals meet basic needs. The legislation specifies that eligible organizations spend at least 50% of their budget on basic needs to residents of Arizona. Agencies must be certified by the State of Arizona.

greater than your tax liability, the credit will result in an increase in your state tax refund.

For which tax year will I be eligible to receive the state tax credit?

Once an individual taxpayer has created a baseline year, the tax credit may be taken the following year and each year thereafter.

How do I document my contribution?

United Way will send you a letter in January confirming your contribution to the "Helping the Working Poor Fund". This letter provides the paperwork needed to document your contribution. This letter is necessary to support your tax credit, so make sure you include your name and home address on your United Way pledge card.

How do I file for the credit?

There is a simple form that is included with your state tax filing that you or your accountant will complete. The form is included with materials provided by the State of Arizona to all state tax filers.

If I didn't give to a charitable organization last year can I still get a tax credit?

Once an individual establishes a baseline year they become eligible for a tax credit the following year. If you did not give in 1999, but want to take advantage of the tax credit, you can establish your baseline year in 2000 with a pledge to United Way in 1999. Once you've established a baseline year, and give up to \$200 more for the following year, you'll then be able to claim the tax credit.

Should I designate all of my United Way contribution to this fund called "Helping the Working Poor"?

You have a right to choose where your contribution goes. United Way recommends that you consider giving the increased amount of your gift to the Working Poor fund, while maintaining your previous commitment to *United Way's Valleywide Fund* or another Priority Area. In this way, the pool of dollars to other worthwhile programs will remain stable, while also increasing the funds available for helping the working poor.

Will there be any change in United Way's allocations process as it relates to this fund?

A separate panel of volunteer experts will review the pool of dollars generated through